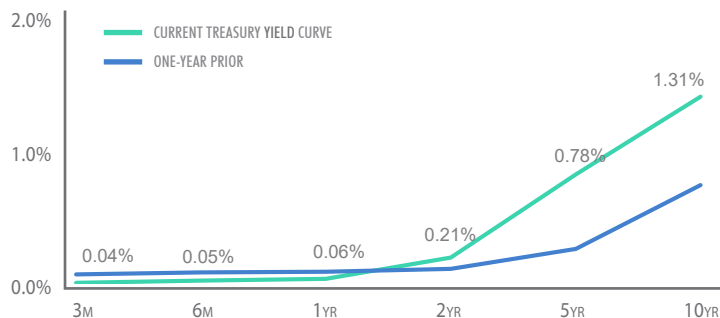
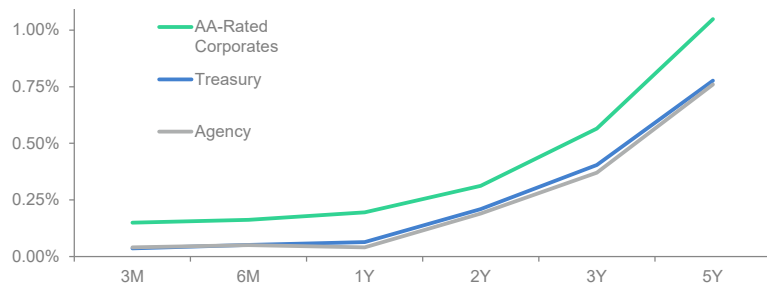


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 8/31/21

Market Yields



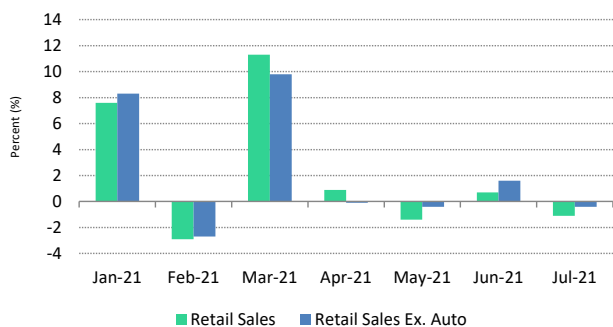
Source: Bloomberg Finance L.P. 8/31/21

FEATURED MARKET DATA

Retail Sales Lower in July

U.S. retail sales, a gauge for consumer spending fell 1.1% in July following an upwardly revised 0.7% increase in June. Underlying data suggests that consumers are beginning to curb spending on goods in favor of services following the reopening of the economy. Sales dropped across various categories including autos, clothing, sporting goods, and furniture. Excluding autos, sales dropped 0.4% in July. Economists forecast consumer spending to grow at an annualized 4.5% pace during the third quarter, a sharp decline from the robust 11.8% rate seen in the second quarter. Looking ahead, the emergence of the COVID-19 delta variant poses a risk to economic growth and could curb demand for services such as tourism and entertainment.

Source: Bloomberg, www.census.gov/retail



Source: Bloomberg

RECENT NEWS

Stocks Reach New Highs

Major U.S. equity indices were higher in August, with the S&P logging its seventh straight monthly gain while setting twelve new record-high closes. The path of least resistance was clearly to the upside for the month, with the "buy-the-dip" and "there-is-no-alternative" mantras still in play. However, there are some signs this strong run could stall or reverse. U.S. consumer sentiment as measured by the University of Michigan fell to its lowest level in a decade and may have been influenced by a resurgence in the pandemic. In addition, while reflation trades dominated the first half of 2021, defensive stocks like healthcare and utilities have outperformed sectors such as materials, emerging markets and value stocks in recent weeks.

Source: Bloomberg, Reuters

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
CPI (MoM)	08/11/21	JUL	0.5%	0.5%	0.9%
CPI (YoY)	08/11/21	JUL	5.3%	5.4%	5.4%
Retail Sales Ex. Auto (MoM)	08/17/21	JUL	0.2%	-0.4%	1.6% (R)
Chicago Fed National Activity Index	08/23/21	JUL	0.12	0.53	-0.01 (R)
Core PCE (YoY)	08/27/21	JUL	3.6%	3.6%	3.6% (R)
S&P Case Shiller 20-City Home Price Index (YoY)	08/31/21	JUN	18.60%	19.08%	17.14% (R)
Consumer Confidence	08/31/21	AUG	123.0	113.8	125.1 (R)
Change in Nonfarm Payrolls	09/03/21	AUG	748K	-	943K (R)
Unemployment Rate	09/03/21	AUG	5.2%	-	5.4%

Source: Bloomberg Finance L.P. 9/2/21. Glossary terms on following page.

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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